

### **REMARKS**

The non-final Office Action dated May 27, 2009 has been received and its contents carefully noted. Claims 1-73 remain pending in the application. Claims 2, 7, 12, 18, 23, 28, 39, and 59 have been cancelled. Claims 33-38, 40-58, and 60-73 have been withdrawn. Claims 1, 3, 5, 8, 11, 13-17, 19-21, 24-25, 27, 29-32 have been amended. Claims 1, 3, 5, 9, 13, 15, and 16 have been amended to overcome their rejections in accordance with 35 U.S.C. § 112, second paragraph. Claim 17 has been amended to overcome the rejection in accordance with 35 U.S.C. § 101. In view of the amendments above and the following remarks, reconsideration of this application is now respectfully requested.

#### **Claim Rejections under 35 U.S.C. § 112 ¶2**

Claims 1, 3, 5, 9, 13, 15, and 16 have been amended to overcome the rejections in accordance with 35 U.S.C. § 112, second paragraph. Applicant has made grammatical corrections to these claims to clarify how the features of the claims operate, and it is believed that the corrective amendments render the rejections moot. As these corrections are essentially grammatical, no new matter is believed to have been introduced. As a result, the Applicant requests that the Examiner withdraw these rejections.

#### **Claim Rejections under 35 U.S.C. § 101**

Claim 17 has been amended to overcome the rejection in accordance with 35 U.S.C. § 101. The amendment is based upon paragraphs [0031]-[0032] and [0056]-[0058] which reflect how the method is tied to a particular device, namely the system of claim 1, and hence no new matter was introduced.

#### **Claim Rejections under 35 U.S.C. § 103**

Claims 1, 3-6, 8-11, 13-17, 19-22, 24-27, and 29-32 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Eurex, as evidenced by “The Benchmark in Electronic Repo Trading” (see PTO-892, Ref. U), “About Eurex, Corporate Profile” (see PTO-892, Ref. V) “Eurex Launches Swiss Equity-Repo Trading”(see PTO-892, Ref. W), Eurex Clearing AG, Extension of Services” (see PTO-892, Ref. X) and “Eurex Handbook, Life of a Repo Trade” (see PTO-892, Ref. Y) in view of Tri-Party Repo Back in the Spotlight by Brian Bollen (see PTO-892, Ref. BB), Hereinafter Bollen.

**Discussion of the Prior Art Rejections**

With respect to the 35 U.S.C. § 103(a) rejection of claims 1, 3-6, 8-11, 13-17, 19-22, 24-27, and 29-32 in view of Eurex in view of Bollen, Applicant submits that the rejection should be withdrawn because Bollen does not provide sufficient teachings or disclosure that would overcome Eurex's deficiencies. While Eurex is arguably in the field of electronic repo trading, the Examiner has specifically acknowledged that Eurex *does not teach* the limitation of independent claim 1 (which is present in analogous form in independent claims 17 and 32 as well) of "defining a synthetic security, said security basket definition not indicating specific securities". Bollen relates to tri-part repos. With tri-part, there are only two contracting parties who make an agreement on a deal without involvement of a third party.

This bilateral agreement is then communicated to an agent, who is the third entity of "tri-part" and who acts as trustee. According to BB, the bilateral agreement may be unspecific with respect to which securities are to be used, and the agent has auto-select capabilities to accordingly select suitable securities. As opposed to this, there are three contracting parties in the invention, the third one being the clearing system. The clearing system acts as central counterparty for the other two contracting parties, i.e., each one of these other two contracting parties interacts with the central counterparty rather than with each other. Thus, there is no bilateral agreement like in Bollen, who teaches against the feature of a clearing system as in the claimed embodiments. Consequently, there is no clearing system in Bollen as no clearing function is required. Additionally, there is also no trading system in Bollen, and Bollen's teaches against this feature of the embodiments as well.

It should be noted that Bollen identifies "Euroclear" and "Clearstream" as the agent. Although these names include the term "clear", they are not clearing systems and do not perform any clearing function. The term "clearing" has undergone a substantial shift in its meaning, as it was initially (in the 70's) used as equivalent to what we now call "settlement."

Further, even when understanding the above mentioned bilateral agreement to include a "security basket definition not indicating specific securities," Bollen still fails to make use of a synthetic security. The bilateral agreement is an individual agreement between the respective two contracting parties, whereas a synthetic security is treated like a normal security having its own ISIN and being unanimously accepted by all participants of the trading system. Bollen's bilateral agreement is not identified by an ISIN.

Therefore, as Bollen does not have a trading and clearing system, and there is no synthetic security, even a combination of U-Y with BB does not teach all of the claimed elements. Moreover, the nature of Bollen teaches against the integration of these references, so one of ordinary skill in the art would not have tried to modify U-Y in view of BB. Even when supplementing U-Y with tri-part, this would not have resulted in the claimed invention as U-Y's trading and clearing systems would not have been involved in the tri-part process.

In view of the foregoing remarks, these claims, as amended, are patentable over the prior art. The amendment and the accompanying remarks are believed to have overcome the Examiner's rejection of claims 1, 3-6, 8-11, 13-17, 19-22, 24-27, and 29-32. All of the dependent claims, being dependent on at least one of the independent claims should be allowable for at least this reason, as well as for their uniquely distinguishing features. Accordingly, the claims are believed to be allowable.

In light of the amendment to the specification and the remarks provided hereinabove, Applicants respectfully submit that the present application is now in condition for allowance. However, should the Examiner find some issue to remain unresolved, or should any new issues arise, which could be eliminated through discussions with Applicants' representative, then the Examiner is invited to contact the undersigned by telephone (at 202-585-8314) in order that further prosecution of this application can thereby be expedited.

Respectfully submitted,

**NIXON PEABODY, LLP**

/Jonathan D. Schlaifer, Reg. No. 61, 719/  
Jonathan D. Schlaifer  
Registration No. 61,719

**NIXON PEABODY LLP**  
Customer No. 22204  
401 9<sup>th</sup> Street, N.W. Suite 900  
Washington, D.C. 20004-2128  
(202) 585-8000